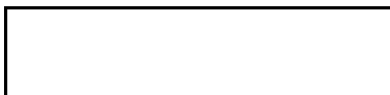


SECRET



BIWEEKLY REPORT

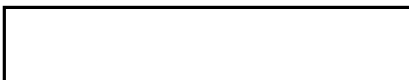
SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR 1/136

24 April 1961

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE



SECRET

25X1

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020008-1

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020008-1

~~SECRET~~Summary of Events*7-20 April 1961

Although recent events have created an impression that the new Brazilian regime may move rapidly toward increased economic relations with the Bloc, there is actually little evidence that the Quadros policies regarding trade with the Bloc differ markedly from those of the previous regime. Nevertheless, pro-Bloc feeling among many Brazilians and the demands of Brazil's present development program will tend to increase Brazilian receptivity to economically attractive Bloc offers of financial assistance and trade.

Further Soviet aid to Afghanistan is likely as a result of talks in Moscow between Khrushchev and Afghan Prime Minister Daud.

Yemen's first deep-water port, which has been under construction by the USSR since early 1958, was officially opened at Hudaydah on 2 April.

A Soviet good-will mission that visited the Somali Republic during the first week in April discussed means of expanding economic, trade, and cultural relations between the two countries and indicated willingness to consider favorably a Somali request for long-term financial assistance.

Bloc activity in India will increase substantially during the next 5 years. About \$775 million are presently committed for projects in the public sector, and aid will continue to be concentrated in the fields of steel, heavy machinery, petroleum, and power.

Negotiations between Cambodia and Czechoslovakia for the construction of factories in Cambodia are not going well -- several projects have been delayed or canceled. In addition, difficulties have been encountered with the hospital given by the USSR in Phnom Penh.

* An unclassified table summarizing Bloc credits and grants to underdeveloped countries, 1 January 1954 - 31 March 1961, is included in this issue on p. 14.

~~SECRET~~

~~SECRET~~

On 30 March, Yugoslavia and the USSR signed a 5-year trade agreement that by 1965 will double the 1960 trade level of \$110 million. The signing of long-term trade agreements with most of the Bloc countries indicates that Yugoslavia's economic relations with the Bloc will continue to show limited improvement.

During the first 3 months of 1961 the Bloc continued to use the export of crude oil and refined products as well as petroleum technology as an important lever for achieving an expansion of economic relations with countries of the Free World.

SECRET

~~SECRET~~

CONTENTS

	<u>Page</u>
I. General	1
Recent Developments in the Bloc Petroleum Offensive	1
II. Latin America	5
Course of Brazilian-Bloc Economic Relations Since the Inauguration of President Quadros	5
III. Middle East	7
A. Yemen	7
Opening of a Deep-Water Port at Hudaydah	7
B. Discussion of Further Afghan-Soviet Economic Cooperation	7
IV. Africa	8
Soviet Mission in the Somali Republic	8
V. Asia	9
A. Bloc Participation in India's Third Five Year Plan	9
B. Current Developments in Economic Relations Between Cambodia and the Bloc	11

~~SECRET~~

~~SECRET~~

	<u>Page</u>
VI. Europe	12
Yugoslav Trade Agreements with the Bloc for 1961-65	12

Table

Sino-Soviet Bloc Credits and Grants Extended to Underdeveloped Countries of the Free World, 1 January 1954 - 31 March 1961	14
--	----

Maps

	<u>Following Page</u>
Major Road Construction in Yemen, April 1961 . .	7
Bloc Aid Projects in India, April 1961	9

~~SECRET~~

25X1

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020008-1

Next 14 Page(s) In Document Exempt

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020008-1

UNCLASSIFIED

Sino-Soviet Bloc Credits and Grants
 Extended to Underdeveloped Countries of the Free World a/*
 1 January 1954 - 31 March 1961

Million US \$			
<u>Area and Country</u>	<u>Total</u>	<u>Economic <u>b/</u></u>	<u>Military <u>c/</u></u>
Total	<u>5,108</u>	<u>3,825</u>	<u>1,282</u>
<u>Latin America</u>	<u>352</u>	<u>352</u>	<u>0</u>
Argentina	104	104	0
Brazil	4	4	0
Cuba	245	245	<u>d/</u>
<u>Middle East</u>	<u>2,008</u>	<u>1,322</u>	<u>686</u>
Afghanistan	255	217	38
Iran	6	6	0
Iraq	404	216	188
Pakistan	33	33	0
Turkey	17	17	0
UAR -- Egypt	924	609	315
UAR -- Syria	307	179	128
Yemen	61	44	17
<u>Africa</u>	<u>335</u>	<u>329</u>	<u>6</u>
Ethiopia	114	114	0
Ghana	56	56	0
Guinea	108	107	1
Mali	44	44	0
Morocco	4	0	4
Sudan	<u>e/</u>	0	<u>e/</u>
Tunisia	8	8	0

* Footnotes for the table follow on p. 15.

UNCLASSIFIED

Sino-Soviet Bloc Credits and Grants
Extended to Underdeveloped Countries of the Free World a/
1 January 1954 - 31 March 1961
(Continued)

Million US \$			
<u>Area and Country</u>	<u>Total</u>	<u>Economic <u>b/</u></u>	<u>Military <u>c/</u></u>
<u>Asia</u>	<u>2, 296</u>	<u>1, 706</u>	<u>590</u>
Burma	96	96	0
Cambodia	55	55	0
Ceylon	58	58	0
India	946	946	0
Indonesia	1, 099	509	590
Nepal	41	41	0
<u>Europe</u>	<u>116</u>	<u>116</u>	<u>0</u>
Iceland	5	5	0
Yugoslavia	111 <u>f/</u>	111 <u>f/</u>	0

- a. Because of rounding, figures may not add to totals.
- b. Including about \$221 million in grant aid to Afghanistan, Cambodia, Ceylon, Ethiopia, Guinea, India, Indonesia, Nepal, Pakistan, the UAR (Egyptian region), and Yemen.
- c. Including about \$6 million in grant aid to Guinea, Morocco, and Sudan.
- d. Estimated minimum total of \$50 million. Financial arrangements unknown.
- e. Less than \$1 million.
- f. Not including about \$353 million in credits extended in 1956 and subsequently either canceled or allowed to expire.

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020008-1

SECRET

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020008-1

SECRET